

TEN MINUTES OF IDEAS

Welcome back to Momentum! In this edition, we share how to create true competitive advantage – through the branded service experience. We give two examples – one Off-Brand, the other On-Brand, to illustrate how employees can be turned on (or not turned on) to delivering a unique brand experience. In our section on A Complaint is a Gift, we share the importance of starting with two words when faced with upset customers. In our section on Leadership, we share a legendary entrepreneur's thoughts on how to stay connected with your employees. And we also share with you some of the services that TMI offers in Malaysia.

We hope that you find the next 600 seconds with Momentum and TMI of value to you!



George

George Aveling
CEO
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Reader feedback prize: A copy of A Complaint is a Gift goes to **Jeff Zweig, Chief Guru**, Web Guru, Southeast Asia. Thank you Jeff for your most positive and helpful comments!

CREATING THE BRANDED SERVICE EXPERIENCE

ALIGN YOUR CUSTOMER EXPERIENCE TO YOUR BRAND FOR COMPETITIVE ADVANTAGE

I was talking to the CEO of a major organisation. He wanted to differentiate his organisation using customer service as a key strategy. I asked him, "What is the unique experience that you want your customers to have, the one that will make your company stand out?" He said that his management team had not thought of this. He then went on to ask the magic question, "How do we define our unique service experience?" I explained that the answer is simple. You start with your brand. I explained that huge amounts of money are spent to build brands that are unique in the minds of customers. It stands to reason that the experience that customers have should be aligned with that unique brand! In fact, companies that align their cultures with their brands will create a powerful competitive advantage. Research shows that companies that live the brand internally can improve profitability (in some cases by over 50%).

Organisations spend enormous amounts of money to turn customers onto their brands. However, the rubber hits the road when customers deal with the organisation. The challenge therefore is to turn employees on to deliver the brand experience.

Off-Brand example

I was having dinner with a friend who spent 15 minutes telling me why he would not deal with a particular international bank again. The bank's advertising had created high expectations, but the staff were slow, cold,

robotic and did not seem to care. So, when I next see this bank's advertising, am I most likely to believe the advertised messages or will I believe what my friend has told me? This is a "no-brainer" – word of mouth is, by far, the strongest form of recommendation (positive or negative). This is a case of a company that has focused on external brand building, with too little being done to create an On-Brand culture.

On-Brand example

Build a Bear Workshops is a highly successful, growing international business that turns over USD\$304m a year (in teddy bears!). It has achieved this by designing a brand, then designing a brand experience around that brand. This company is based on the idea of your child creating his or her own teddy bear. The Mission of Build-A-Bear Workshop is to bring the Teddy Bear to life. Staff at Build a Bear know that their role is to create a memorable experience that brings a teddy bear to life for the customer. They help you bring your teddy bear to life as follows... You choose your bear (an empty shell that has not been stuffed), you fill it with stuffing to give it shape, you give it a heart (and whisper special blessings into it before you insert it), you give your bear a sound, you choose its clothes, you give it a name, you give it a birth certificate and then you take it home in its own cardboard bear home. The shops are colourful and vibrant. They are staffed by relatively young people. And it is the staff that make the difference to the fabulous Build a Bear experience. I went to

three Build a Bear shops in the US and in each case, the employees were having fun while helping their customers create a cuddly, furry friend to take home.

The message

You can create a sustainable competitive advantage by creating an On-Brand culture that is turned on to delivering on your brand promise. The process to do this is more than "brand rallies." Rather, it involves a change management process that touches the hearts and minds of everyone that works in the organisation, supported by strategies in the areas of measurement, communication, systems and HR. It takes time, investment and effort. However, the rewards can be enormous.

George Aveling



TMI provides consultancy and training services to transform organisational cultures to deliver on the Branded Service Experience. Two TMI International Partners, Dr Janelle Barlow and Paul Stewart, have written, "Branded Customer Service: the New Competitive Edge". TMI has major projects in this area in Malaysia at the present time.

A COMPLAINT IS A GIFT

WHEN YOUR CUSTOMERS COMPLAIN... THANK THEM!



“The message is, treat complaints as gifts. It will take the pressure off employees and will help your organisation to more quickly turn unhappy customers to loyal ones.”

This section is taken from TMI's training course, A Complaint is a Gift, which has been run successfully in 5 continents of the world.

Sometimes we, in business, mess up. Sometimes customers don't quite get it right but still blame us. The result in both cases is that we have unhappy customers. The research has shown that companies are presented with major opportunities to build customer loyalty when faced with complaining customers. The research also shows that, if we don't handle unhappy customers effectively, they will tell, on average, 9 other people. Over time, the damage to your organisation could be enormous.

Our observation is that many organisations focus on speed and efficiency of complaints handling. They therefore set KPIs for response and resolution times. This, however, only deals with a part of the problem. While speed is important, it is not necessarily the most important factor in determining whether the customer will feel his or her complaint is handled well. In fact, research says that half of complaining customers are even more unhappy after they have complained! Why is this so? A key reason is that employees have not been trained to deal with customer's emotions.

The power of just two words...

The good news is that you can train your people to take customers from rage to reason. The first thing that employees should do is to THANK the customer for giving the feedback. The words "thank you" are two of the most powerful words in any language. They signal to the customer that his or her complaint is important. It's about training your employees to treat complaints as gifts - gifts of feedback to improve. This takes the pressure off the

customer service employee and starts to act as a pressure release valve for the situation. In fact, in best practice person-to-person complaints handling, the customer's emotions are dealt with before the problem is discussed.

Anecdote

We teach participants how to defuse and then deal with complaints using the 8 Step Gift Formula in our training course, A Complaint is a Gift.

The first four steps deal with the customer's emotions.

It is only when we get to step 5 that we start dealing with the problem. We were running the 8 Step formula for a major company when one of the managers exclaimed, "No wonder some of our upset customers are MORE upset after talking to us - we skip the first 4 steps and go straight to the problem!" In this company, the first response to the customer venting his or her displeasure is to ask for the customer's account number! In other words, this company does what they should NOT do when dealing with complaints - they show no concern for the problem, assuming that efficiency will win the day!

The message

The message is, treat complaints as gifts. It will take the pressure off employees and will help your organisation to more quickly turn unhappy customers into loyal ones. It certainly is important to deal with the problem, but starting off with two magic words, "Thank you," will start the process of defusing the customer's emotions. More on the 8 Step Gift Formula in the next edition of Momentum.

LEARNING FROM THE LEGENDS

KEN IVERSON, NUCOR

BRINGING OUT THE BEST IN YOUR EMPLOYEES: CONNECT WITH THEM

This section is drawn from Plain Talk, Lessons from a Business Maverick, by Ken Iverson with Tom Varian. Ken Iverson, 1925-2002.

Nucor is a company that is studied at universities around the world. In particular, it was Ken Iverson, the legendary CEO who built Nucor into an acclaimed company in the steel industry. Ken achieved success by bringing out the best in people. Here are some of his thoughts on keeping close to employees. "I don't order our managers to keep in close contact with their employees. But I do nag them. I say, 'Andrew Carnegie was a financier. He could afford to treat people like peasants. We're managers. We can't.' They may not like my nagging, but I do it with their interests in mind." He went on to say, "I can't recall Nucor ever firing a general manager for not knowing how to make steel. But we have seen general managers fail to effectively lead people in the ambitious goals we have set at Nucor." Iverson recognised that his ways of staying connected were not "rocket science." However, he said that what makes them valuable is not the methods, but rather the intent behind them. Some of the ways that Ken and managers at Nucor keep connected with their employees are:

Ken Iverson's legacy...

"All of us at Nucor are a product of his vision,"

"We are low-cost focused, highly efficient, and our culture actually works to bring out the best in people." *Daniel DiMicco current, CEO, Nucor*



1 Invest time to understand what's happening: When Ken ran a plant, he would walk around and talk to every manager in the morning. He would sit and chat and drink coffee with people all over the facility. He might not get back to his pile of work in the office until late morning, but he said that it was always worth it.

During his discussions with the dozen or so people, he got an up to date picture of what was going on in the operation. He'd find out whether people were feeling confident or anxious, how well the technology was working, which managers were struggling and which ones were ready to take on more responsibility. "By taking those strolls, I had a strong sense of who they were, what they could do, and what they cared about. They knew the same things about me. I can't imagine staking my success on a group of people and not knowing them. It would be like trying to fly a plane with one wing."

2 Ken recognised that there was more to staying in touch than talking informally to people. He saw employee surveys as an important way to stay connected. One of the questions on the survey was, "If you could change just one thing about Nucor, what would it be?" Some people wrote one line in response, while some wrote three pages.

Nucor took notice of these suggestions and made some big changes as a result. The company provided a complete and straightforward report of the survey results, back to employees, including negative comments.

3 Employee meetings: All general managers are asked to meet with all of their divisions' employees in groups of no more than 50. For a division of 500, this converted to 10 such meetings.

There were some common principles that made the meetings an effective way to stay connected. First, general managers didn't talk much. Ken felt that pulling people together to create pep talks was not the way to connect with them. Rather, the GM would speak for no more than 20 minutes. Then employees would take over, talking about equipment, rules, procedures and anything else that they saw as important to the running of the business. Management listened.

Second, managers took the comments seriously. It takes courage for an employee to stand up and speak about problems or issues. If the manager just paid lip service, Iverson felt that the connection will be lost. In short, managers stayed connected by listening and taking action on the comments where value was added.

WHEN DO I CALL TMI?

BRINGING A DIFFERENT APPROACH TO MALAYSIA

SERVING COMPANIES IN 36 COUNTRIES AROUND THE WORLD

TMI brings thinking, models and training programs from overseas – Europe, USA, New Zealand and Australia – and then customises for Malaysian organisations. Our focus in Malaysia has been on helping organisations create a competitive edge by creating service cultures that deliver unique service experiences.

We offer a range of services including:

Branded Customer Service, an organisational service transformation process, based on the best selling book, Branded Customer Service – the New Competitive Edge written by two international TMI Partners. This complete change methodology includes a process to connect brands, cultures and customer service that has been written about around the globe.

Putting People First, one of the world's most successful customer service training programs.

World Class Complaints Handling: A Complaint is a Gift, is a one day training course that equips managers and front-line people to handle complaining customers in a manner that builds customer loyalty.

Some of TMI's supporting offerings include

- ▶ **Employeeeship:** a program that focuses on what it takes to be a good employee
- ▶ **Leadership:** We can turn people into high performing leaders through two programs – Leadership 123, a modular program that was run for General Motors-Opel across Europe by TMI, and Emotionally Intelligent Leadership
- ▶ **Performance enhancement:** Time Manager for Microsoft Outlook, a program that helps people achieve more in their personal and work lives.
- ▶ **Performance Coaching,** a course developed in Australia to create a high performance coaching culture.
- ▶ And many other programs.

If you would like to discuss the issues that your organisation faces with TMI, call Ann on 6203 4410 to make an appointment.

A Complaint is a Gift

18 September 2007

You can turn complaining customers into loyal customers. It costs five times less to retain an existing customer than it does to win a new one. Effective handling of complaints is therefore an essential part of today's business life. The A Complaint is a Gift workshop is a highly interactive experience that equips participants with practical strategies for complaint handling. Participants will practise TMI's 8 Step Gift formula.

Employeeeship

16 October 2007

You will find lots of books and training courses on what it takes to be a good manager. This unique TMI course focuses on what it takes to be a good employee. It's about employees learning to play their part on the team, and supporting the team to win. It's about taking personal responsibility. It's about taking initiative, rather than waiting for people to give instructions. And it's about showing loyalty in what we say and what we do. Employeeeship is a unique TMI concept that we proudly bring to Malaysia.

UPCOMING COMPLIMENTARY DECISION MAKERS IDEAS WORKSHOPS OFFERED BY TMI

BOOK NOW FOR ONE OR BOTH OF OUR
COMPLIMENTARY DECISION MAKER WORKSHOPS

We offer full day workshops which are designed to give you first hand experience of some of the solutions and training programs that we offer. These workshops are designed for people at senior levels eg Senior Manager level or above. The aim is for you to evaluate whether these programs are appropriate for your organisation. These are not selling days, but rather, full training days. The workshops are fully catered. If you are in a decision making position, contact Ann Gooi from TMI on 6203 4410 to make your complimentary booking.

FEEDBACK AND COMMENTS WELCOME!

We would love to hear your comments and feedback. Let us know if there is anything that you agree with, disagree with or would like us to talk about! Please feel free to contact George Aveling at george@tmimalaysia.com.my

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Inspiring People to
Achieve More